**MARKING SCHEME SUNRISE ONE F4 PP1 TERM 1 2023**

1. **Ways in which a well laid out structure is likely to lead to the success of a business. (4mks)**
2. Each employee knows what is expected of him or her
3. Minimizes conflict or confusion in performing duties.
4. Everyone is aware of their line of reporting
5. Enhances team work among the employees
6. Ensures proper control of activities and use of resources
7. **Features of money. (4mks)**

(i) Acceptability

(ii) Divisibility

(iii) Portability

(iv) Durability

(v) Stability

(vi) Homogeneity

(vii) Cognisability

(viii) Scarcity

(ix) Malleability

|  |  |
| --- | --- |
|  A/C to Dr | A/C to Cr |
| Returnin wards A/CPurchase A/CReturn in wards A/cBank A/C | Ukweli: Traders A/c Upendo Traders A/cPwani Traders A/cRent income A/cRent income A/c |

1. **Non- price competitions by oligopoly market structure. (4mks)**
2. Intense advertising
3. Use of credit facilities to persuade customers
4. Offering favourable terms of payment
5. Proper market research and development
6. Product improvement such as packaging and branding
7. Offering after sales services to attract and retain customers.
8. **Errors that may make the trial balance fail to balance. (4mks)**
9. **P**osting the wrong amount
10. Errors in balancing an account
11. Posting on the wrong side of the account
12. Entry of a balance on the wrong side of the trial balance
13. If one of the account balances is not posted to the trial balance
14. Transposing of figures when posting balances to the trial balance e.g 4002 instead of 2004
15. Arithmetic errors when getting totals of the trial balance
16. **Factors that are likely to lead to a young population. (4mks)**
17. High birth rates
18. High mortality rates among the ageing population
19. Little life expectancy
20. Low mortality rate among the youth
21. i. Margin = G.p x 100

 Net sales

G.P = sales – cost of goods

= 21000 – (8000 +4500 – 9000)

= 21000 -3500

= 17500

Margin = 17500 x 100 = 83.3%

 21000

ii. Rate of stock turnover = cost of goods sold

 Average stock

 = 35000

 (8000+ 9000) = 35000

 2 8500

 = 0.41

1.

 Cash a/c

|  |  |
| --- | --- |
| Jan 1 Capital 100,000 | Jan 2 Motor van 27500Jan 7 Shop fitters 11,500 |

Capital a/c

|  |  |
| --- | --- |
|  | Jan 1 Cash 100,000 |

Motor van a/c

|  |  |
| --- | --- |
| Jan 2 Cash 27,500 |  |

Shop fitter a/c

|  |  |
| --- | --- |
| Jan 7 Cash 11,500 | Jan 3 Fixtures 11,500 |

Fixtures a/c

|  |  |
| --- | --- |
| Jan 3 Shop fitters 11,500 |  |

1. **Advertisement (4mks)**
2. Informative.
3. Institutional
4. Competitive
5. Product
6. C.C = O.C + NP + I – D **(4mks)**

 NP = CC – OC – I + D

 NP = 300,000 – 80,000 – 120,000 + 20,000

1. .- To raise government revenue
2. - To control consumption of harmful products
3. -To redistribute incomes
4. -To control the level of imports
5. -To influence the allocation of resources or to control business activities
6. - To control inflation by reducing disposal income or prices
7. -Can be used as one way of protecting strategic domestic industries
8. Can also be used to reduce rural-urban migration by establishing industries in rural areas.
9. -Can also be used to stabilize their economies through the preparation of a surplus or deficit budget.
10. **Reasons why railway transport is unpopular. (4mks)**
11. Expensive to construct.
12. Slow over short distances.
13. Expensive to hire over short distance.
14. Not flexible in providing door to door services.
15. Have unlimited coverage.
16.

a)Transaction

b)Precaution

c)Speculative

d)Transaction

1. **Reasons why an insured may not be compensated despite an insured risk occurring. (4mks)**
	1. Wrong claiming procedure.
	2. Cause of the risk was deliberate.
	3. Late / delayed reporting.
	4. Insurer had no funds / bankrupt.
	5. Had lied.
2. The figure below shows a shift in the supply curve of a given commodity.

**Supply increased, demand constant.** **(4mks**)

1. The price of the commodities will be lowered
2. Equilibrium quantity increases
3. Equilibrium price decreases
4. The supply of the commodity will increase at the same rate.
5. **Highlight four ways in which the utility / usefulness of a product can be increased. (4mks**)
6. By changing the form / converting raw materials to finished goods
7. Through transportation / distribution
8. Through warehousing / storage
9. Through trade / exchange
10. **Mention four ways in which the Kenyan government is creating an enabling environment to attract investments. (4mks)**
11. Ensuring law and order / security
12. Providing credits / loans on easy terms
13. Giving economic incentives eg low taxes, subsidies and cheap land.
14. Putting up and improving infrastructural facilities eg roads, communication, water and electricity
15. Development of social amenities such as recreational facilities, hospitals, schools and housing.
16. Simplifying procedure in starting and running businesses
17. Ensuring good governance and political stability
18. Preservation and conservation of natural resources and environment
19. Enacting favourable laws and regulation
20. **Give four differences between an ordinary share and a preference share**

|  |  |
| --- | --- |
| **O ORDINARY SHARE** | **PREFERENCE SHARE** |
| 1. Paid dividend after preference shares
 | 1. Paid dividends before ordinary share
 |
| 1. Have voting rights
 | 1. No voting rights
 |
| 1. Are not cumulative in nature
 | 1. May be cumulative nature
 |
| 1. Possers own the company
 | 1. Possers are not owners of the co
 |

1. **Ways in which people of MASAWA town will benefit from the factory of Trimex Ltd. (4mks)**
	1. The people will get goods / services at fair prices due to their proximity to the factory / readily available goods and services.
	2. Surrounding community will get job opportunities
	3. The factory may provide market for raw materials produced by the surrounding community
	4. The company may improve infrastructure such as roads , electricity
	5. The company may participate in community welfare activities such as education and health
2. **For each of the following transaction of Kinyua traders, identify the source document and the journal in which the information is recorded. (4mks)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Transaction** | **Source document** | **Journal** |
| (a) | He bought goods worth ksh.40,000 on credit from jitahidi | Purchase/incoming invoice | Purchase Journal |
| (b) | Kinyua returned some goods in jitahidi traders worth ksh. 2000 | Received credit note/incoming credit note. | Purchase return journal |
| (c) | Peter a customer bought goods worth ksh.5,000 on credit | Sales/outgoing invoice | Sales journal |
| (d) | Peter returned goods worth Ksh. 1000 to Kinyua traders | Issued/outgoing credit note | Sales journal |

1. **Four roles of intermediaries in the chain of distribution (4mks)**
2. Accumulating bulk.
3. Breaking bulk.
4. Help to bring goods closer to the final consumer.
5. Advising consumers on the choice and use of goods.
6. Prepare goods for sale.
7. Store goods until they are needed.
8. **Four types of printed messages that may be sent through facsimile (4mks)**
9. Letters.
10. Photographs.
11. Maps
12. Charts
13. Diagrams.
14. **Four benefits of national income statistics to a country. (4mks)**
15. Used to distribution of national wealth.
16. the standards of living of people in a country.
17. Assist investors in making investment decision.
18. Assist a country in planning its economy.
19. Show Indicate the contribution of each sector to the national income.
20. Used to compare the standards of living of people in different countries.

Provides information which is used in making economic policies/ annual budgets.

1. **Outline four ways in which natural resource may be of benefit to a country. (4mks**)
2. Their exploitation creates employment
3. Provides raw materials for industries enable us get goods and services.
4. They are used to generate income for a country/ foreign income.
5. They are basic factors for sustenance of a life
6. Provide natural habitat
7. Provide energy eg HEP .
8. Difficulties of satisfying human wants. (4mks**)**
9. Unlimited human wants.
10. Resources to satisfy human wants are inadequate /scarce.
11. Human wants (some) change with time, age, gender.
12. Some are habitual.
13. They are insatiable/repetitive/ recurring.
14. Problems of choice.